



# FEMA

## NEWS RELEASE STATE/FEDERAL DISASTER FIELD OFFICE JOINT INFORMATION CENTER



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### **FOR IMMEDIATE RELEASE**

## **DISASTER OFFICIALS ISSUE FRAUD WARNING**

**EVERETT, WA** -- State and federal officials are advising residents of northwest Washington's storm-damaged counties to be careful when hiring contractors to clean up and repair their homes and businesses.

"We know from experience that residents often get into disputes with repair services over the quality or cost of the work they have done," said Anthony Russell of the Federal Emergency Management Agency (FEMA), the official in charge of federal long-term recovery operations.

Officials of both the Washington Emergency Management Division and FEMA offer the following suggestions to those who are rebuilding after the severe storms and flooding of October 15-23, 2003.

- **Use reliable, licensed contractors.** Ask to see a license. Check with the Washington State Department of Labor and Industry at 1-800-647-0982 or 1-360-902-5226 to make sure the firm is properly licensed. Consumer complaints may be directed to the Washington State Attorney General's office at 1-800-551-4636.
- **Get a written estimate.** Obtain a written estimate and read the fine print. Get estimates from several reputable contractors before making a final decision. Hire local contractors if possible.
- **Check references.** Call former customers who had similar work done to see if they were satisfied with the job.
- **Proof of insurance.** Make sure the contractor carries general liability insurance, workers' compensation and is bonded. If the contractor is not insured or bonded, the homeowner can be held liable for accidents that occur on the property.
- **Ask for a written contract.** A complete contract should clearly state all the work to be performed, all associated costs, the payment schedule and obligate the contractor to pay for all materials ordered. Never sign a blank contract.
- **Permits.** Make sure the contract clearly states who will obtain the necessary permits. Have a lawyer review the contract if substantial costs are involved. Keep a copy of the signed contract.
- **Written guarantees.** If the contractor provides any guarantees, they should be written into the contract clearly stating what is guaranteed, who is responsible for the guarantee, and how long the guarantee is valid.

- **Pay by check.** Avoid advance payments and cash payments if possible. A reasonable down payment is 30 percent of the total cost of the project. Federal law requires a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25.
- **Canceling a contract.** Canceling a contract should be done within three business days of signing. Send notification by registered mail.
- **Make final payments only when work is completed.** Do not sign completion papers or make the final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not finished properly.

“Although no widespread problems have been reported so far, caution is the safest course for people who have already suffered losses,” said Diane R. Offord, the State-Coordinating Officer for disaster recovery.

The 15 Washington counties declared eligible for federal and state disaster assistance are Chelan, Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Mason, Okanogan, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom.

On March 1, 2003, FEMA became part of the U.S. Department of Homeland Security. FEMA's continuing mission within the new department is to lead the effort to prepare the nation for all hazards and effectively manage federal response and recovery efforts following any national incident. FEMA also initiates proactive mitigation activities, trains first responders, and manages the National Flood Insurance Program and the U.S. Fire Administration.

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